

**THE AUTHORITY FOR ADVANCE RULING  
IN KARNATAKA  
GOODS AND SERVICES TAX  
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD  
GANDHINAGAR, BENGALURU - 560 009**

**Advance Ruling No. KAR ADRG 29/ 2021  
Dated :07-06-2021**

Present:

1. **Dr. M.P.Ravi Prasad**  
Additional Commissioner of Commercial Taxes . . . . Member (State Tax)
  
2. **Sri. Mashhood Ur Rehman Farooqui,**  
Joint Commissioner of Central Tax. . . Member(Central Tax)

1.	Name and address of the applicant	M/s. Wave Colour Techniks, Plot No.Q-3, Jigani Industrial Estate, Jigani 2 <sup>nd</sup> Stage, Anekal Taluk, Bengaluru-560 105.
2.	GSTIN or User ID	29AAAFW7323C1ZA
3.	Date of filing of Form GST ARA-01	02-12-2020
4.	Represented by	Sri Manjunath V Angadi, GSTP & DAR
5.	<b>Jurisdictional Authority - Centre</b>	The Commissioner of Central Tax, Bengaluru South GST Commissionerate RANGE-DSD8
6.	Jurisdictional Authority - State	The Assistant Commissioner of Commercial Tax, LGSTO-27, Bengaluru
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000/- under CGST Act vide CIN SBIN 21042900170306 dated 17.04.2021 and Rs.4975/- and Rs25/- under KGST Act vide CIN SBIN20102900114369 dated 09.10.2020 and vide CIN SBIN20112900052788 dated 06.11.2020

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017  
& UNDER SECTION 98(4) OF THE KGST ACT, 2017**

M/s Wave Colour Techniks, Plot No.Q-3, Jigani Industrial Estate, Jigani 2<sup>nd</sup> Stage, Anekal Taluk, Bengaluru-560 105 having GSTIN number-29AAAFW7323C1ZA have filed an application for Advance Ruling under Section 97

M/s Wave Colour Techniks



of the CGST Act,2017 read with Rule 104 of the CGST Rules 2017 and under Section 97 of the KGST Act, 2017 read with Rule 104 of KGST Rules, 2017, in FORM GST ARA-01 discharging the fee of Rs.5,000/- each under the CGST Act and the KGST Act.

2. The applicant is a partnership firm engaged in the manufacture of Automatic Feeder with Breaker, Pre-washer Machine, Drying Machine, Cleaning and Grading Machine, Pre-stem remover, Riffle Washer, Stem Remover, Spin Dryer, Automatic Weighing Machine and they are sold to farmers and farmer clusters. The applicant has sought advance ruling in respect of the following question:

i) *GST applicable on the above mentioned machines?*

3. **Admissibility of the application:** The question is about "Classification of any goods or services or both" and hence is admissible under Section 97(2)(a) of the CGST Act 2017.

4. The applicant furnishes some facts relevant to the issue:

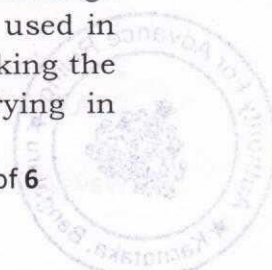
i) The applicant has stated that they are engaged in the manufacture and supply of below machines to farmers and farmer cluster in Grapes and Raisin Processing.

- a) Raisin Wet Processing / Washing Setup
- b) Raisin Drying Setup
- c) Raisins Dry Process-Cleaning, Grading Setup
- d) Raisins / Dry Grapes Colour Sorting Setup
- e) Raisins De-stemming / Stem Removing Setup
- f) Raisins Weighing Setup

ii) The applicant states that the process line for raisins includes machines for washing breaking the lumps, automatic sulphuring (it is necessary), removing stones and wood sticks, drying in automatic dryers, curing and removing stems, cleaning and grading, hand picking and finally automatic weighing, packing and packing inside the cartoon boxes. The said machines are related to processing like cleaning, grading, drying and packing of agricultural produced Raisins and Grapes(post harvested).

**PERSONAL HEARING: / PROCEEDINGS HELD ON 16-12-2020**

5. Sri. Manjunath V Angadi, Auditor and Tax Consultant and duly authorized representative of the above concern appeared for personal hearing proceedings on 16-12-2020 before this authority. He stated that the machineries are used in the process line for raisins and includes machines for washing and breaking the lumps, automatic sulphuring, removing stones and wood sticks, drying in



automatic dryers, oiling, cutting and removing the stems, cleaning and grading, hand picking and finally automatic weighing, packing and sticking inside paper cartons. Further, he has stated that the above machineries are used for only processing and packing of raisins and are sold to framers and farmer clusters. The applicant is interested to know the rate of tax applicable to these machineries when sold to farmers and farmer clusters.

6. He has also submitted that they are seeking advance ruling in the following five machines which are manufactured by them and sold to farmers and farmer clusters:

- a. Automatic Feeder with Breaker
- b. Drying machine
- c. Cleaning and Grading Machine
- d. Pre-stem remover
- e. Automatic Weighing Machine

He has stated that the machineries can be sold separately or as a whole. He has also stated the machineries are not specific to raisins and can be used for any grains. Further, he has explained the nature of each of the above machines as under:

- a. Automatic Feeder with Breaker: This machine feeds the whole process line with raisins and maintains the flow, either constant or adjustable. This consists of a big hull, of the capacity of 1000 kg of raisins and is completely constructed using stainless steel.
- b. Conveyor Belt : The purpose of the conveyor is to transfer the raisins to next machine with the distance from Automatic feeder to the next machine being 4 metre.
- c. Cleaning and Grading Machine – The purpose of this machine is to remove all sticks, hollow raisins, and everything that is lighter than raisins. Further it separates the raisins to different sizes. These machines are imported and is sold by the applicant to their customers. The sieves are fixed on the shaker with clips for easier replacement.
- d. Stem Remover: The main purpose of this machine is to remove the stems from the raisins, it consists of two cone shaped screens in horizontal position where inside there is a shaft with knives which are rotated and rub the raisins at the space between knives and screens. In this way we will completely remove steam from the raisins. The remaining stems on the raisins can reach very low levels i.e up to 0.5%).
- e. The machine line is completely automatic machine starting from first step of bringing the raisins from the farmers, until final stage of automatic weighing, packing and sticking, drying, oiling, cutting, removing the stumps, cleaning, and grading, handpicking and finally automatic weighing, packing and sticking. The machines are completely constructed by the stainless steel AISI 304 and conveyor is made from special plastic for food industries and confirmed by FDA. The above mentioned machines



are related to processing like cleaning, grading, drying and packing of agricultural produces, i.e. raisins and grapes (post harvested).

7. The applicant has also submitted copies of the memorandum of association and certificates relating to cooperative societies who are their buyers for reference. He has also enclosed customs invoice where it is shown that the applicable HSN is 8437.

### FINDINGS & DISCUSSION

8. We have considered the submissions made by the applicant in their application for advance ruling. We also considered the issues involved on which advance ruling is sought by the applicant and relevant facts. At the outset, we would like to state that the provisions of both the CGST Act and the KGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the KGST Act.

9. The issue before us is regarding rate of tax applicable on the machineries mentioned in para 4.1 supra under the GST Acts.

10. The competing entries regarding the machinery discussed are either classifiable under HSN code 8437 or 8433. HSN Code 8437 falls under Sl.No.233 of Schedule I of CGST Notification No.1/2017-CT(Rate) dated 28-06-2017 (as amended) reads as under:

*“Machines for cleaning, sorting or grading, seed, grain or dried leguminous vegetables; machinery used in milling industry or for the working of cereals or dried leguminous vegetables other than farm type machinery and parts thereof”*

Rate of Tax: 5%

11. HSN Code 8433 falls under Sl.No.197 of Schedule II of CGST Notification No.1/2017-CT (Rate) dated 28-06-2017 (as amended) reads as under:

*“Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers; **machines for cleaning, sorting or grading** eggs, **fruit or other agricultural produce**, other than machinery of heading 8437”*

Rate of Tax: 12%

In the present context, as seen in para 4(ii) supra, it's observed that the activities carried on by the applicant involves cleaning, grading, drying and packing of agricultural produces i.e. Raisins and Grapes, which are fruits. “Machineries for



cleaning, sorting or grading of eggs, fruits or other agricultural produce” are covered under HSN 8433 60. All the machines are used for this purpose and hence this is a more specific entry. But in the Description of HSN 8433 clearly says what is covered under HSN 8437 are not covered under HSN 8433.

13. HSN 8437 deals with machines for sorting, cleaning or grading seed, grain or pulses and the machineries used in the milling industry or machineries used for working of cereals or pulses. Evidently this machinery is for used in cleaning, sorting and grading of raisins and hence not cereals or pulses and hence cannot be covered under HSN 8437. Hence these machineries get squarely covered under HSN 8433 60.

14. Sl.No.197 of Schedule II of CGST Notification No.1/2017-Central Tax (Rate) dated 28-06-2017 (as amended) reads as under:

*“Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers; **machines for cleaning, sorting or grading** eggs, **fruit or other agricultural produce**, other than machinery of heading 8437”*

The rate of CGST applicable for the supply of these goods is at 6%. Further, there is no specific notification for exemption or reduction of rate of tax in case such machineries are sold to farmers or farmer co-operatives. The applicant has also not brought out any reasons in support of reduced tax rate in this regard.

15. The weighing machines are classifiable under HSN 8423 which reads as under:

*“Weighing machinery (excluding balances of a sensitivity of 5 centigrams or better), including weight operated counting and checking machines; weighing machine weights of all kinds”*

Hence the automatic weighing machine is covered under HSN 8423.

16. There are two entries related to HSN 8423 in the Notification No. 01/2017 – Central Tax (Rate) dated 28.06.2019 and they are as under:

Schedule No. and Entry No.	HSN	Description	CGST Rate
Sch II, Sl.No. No 324	8423	weighing machinery (excluding balances of a sensitivity of 5 centigrams or better), including weight operated counting or checking machines; weighing machine weights of all kinds [other than electric or electronic weighing machinery]	6%
Sch III Sl.No. 123	8423	Electric or electronic weighing machinery (excluding balances of a sensitivity of 5 centigrams or better), including weight operated counting or checking machines; weighing machine weights of all kinds	9%



Since the weighing machinery dealt by the applicant falls under the electric machinery, the same are covered under Serial No. 123 of Schedule III of the Notification No. 1/2017- Central Tax (Rate) dated 28.06.2017 and hence is liable to tax at 9% under the CGST Act and for the same reasons is taxable at 9% under the KGST Act also.

17. In view of the foregoing, we rule as follows:

**RULING**

1. The machineries manufactured and sold by the applicant like Automatic Feeder with Breaker, Drying machine, Cleaning and Grading Machine, and Pre-stem remover are taxable at 6% under the CGST Act, 2017 and 6% under the KGST Act, 2016.
2. The Automatic Weighing Machine manufactured and sold by the applicant is liable to tax at 9% under the CGST Act, 2017 and 9% under the KGST Act, 2017.

  
**(Dr.M.P.Ravi Prasad)**  
**Member**  
Karnataka Advance Ruling Authority  
Bengaluru - 560 009  
Place : Bengaluru,  
Date :07-06-2021

  
**(Mashhood Ur Rehman Farooqui)**  
**Member**  
**MEMBER**  
Karnataka Advance Ruling Authority  
Bengaluru - 560 009

To,

The Applicant

Copy to:

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Commissioner of Central Tax, Bengaluru South GST Commissionerate, RANGE-DSD8, Bengaluru.
4. The Assistant Commissioner of Commercial Tax, LGSTO-27 Bengaluru
5. Office Folder.

